

STATE BONDING FUND

PERFORMANCE REPORT FOR JUNE 2002

8/15/2002

	Assets as of June 30, 2002			* RATES OF TOTAL RETURN					
	EMV \$(000)	Actual Alloc	Policy Alloc	Quarter Ended				2002 FYTD	Year Ended 6/30/2001
				Jun-02	Mar-02	Dec-01	Sep-01		
LARGE CAP EQUITY									
Value									
LSV	110	2.3%	2.3%	-5.07%	9.19%	8.71%	-9.12%	2.41%	28.80%
RUSSELL 1000 VALUE				-8.52%	4.09%	7.37%	-10.95%	-8.96%	10.33%
Growth									
Alliance Capital	96	2.0%	2.3%	-17.65%	-5.94%	15.88%	-20.51%	-28.65%	-30.23%
RUSSELL 1000 GROWTH				-18.67%	-2.59%	15.14%	-19.41%	-26.49%	-36.18%
Core									
State Street	462	9.7%	10.5%	-13.42%	0.27%	10.67%	-14.68%	-18.03%	-15.00%
S&P 500				-13.40%	0.28%	10.69%	-14.68%	-17.99%	-14.83%
TOTAL LARGE CAP DOM. EQUITY	668	14.0%	15.0%	-12.80%	0.65%	11.16%	-14.82%	-16.89%	-9.87%
S&P 500				-13.40%	0.28%	10.69%	-14.68%	-17.99%	-14.83%
SMALL CAP EQUITY									
SEI Investments	239	5.0%	5.0%	-11.43%	2.34%	20.09%	-20.00%	-12.92%	N/A
RUSSELL 2000 + 200 bp				-8.18%	4.15%	21.26%	-20.62%	-7.96%	N/A
TOTAL SMALL CAP DOM. EQUITY	239	5.0%	5.0%	-11.43%	2.34%	20.09%	-19.93%	-12.85%	-4.21%
RUSSELL 2000				-8.35%	3.98%	21.09%	-20.79%	-8.59%	0.57%
CONVERTIBLES									
Trust Company of the West	439	9.2%	10.0%	-14.43%	-1.64%	12.40%	-15.83%	-20.37%	-15.57%
F.B. CONVERTIBLE SECURITIES INDEX				-8.47%	-0.16%	7.67%	-11.01%	-12.44%	-11.87%
INTERNATIONAL EQUITY - Core									
Capital Guardian	474	9.9%	10.0%	-7.58%	1.29%	14.00%	-17.63%	-12.10%	-24.42%
MSCI 50% HEDGED EAFE INDEX (1)				-7.12%	1.26%	8.60%	-16.41%	-14.62%	-20.41%
FIXED INCOME									
Core - Index									
Bank of North Dakota	699	14.6%	15.0%	3.68%	-0.40%	0.02%	4.93%	8.38%	11.02%
LB GOVT/CORP				3.75%	-0.47%	0.06%	4.76%	8.24%	11.13%
Core Bond									
Western Asset	1,267	26.5%	25.0%	3.09%	0.50%	-0.16%	4.76%	8.36%	12.62%
LB AGGREGATE				3.69%	0.09%	0.05%	4.61%	8.62%	11.22%
BBB Average Quality									
Strong	505	10.5%	10.0%	0.05%	N/A	N/A	N/A	N/A	N/A
LB BAA BOND INDEX EX YANKEE BONDS				2.06%	N/A	N/A	N/A	N/A	N/A
TOTAL FIXED INCOME	2,470	51.6%	50.0%	2.68%	-0.16%	-0.08%	4.83%	7.38%	11.92%
LB GOVT/CORP				3.75%	-0.47%	0.06%	4.76%	8.24%	11.13%
CASH EQUIVALENTS									
BND - Money Market Account	495	10.3%	10.0%	0.46%	0.48%	0.55%	0.90%	2.41%	5.85%
90 DAY T-BILLS				0.46%	0.43%	0.64%	1.08%	2.63%	5.90%
TOTAL FUND	4,785	100.0%	100.0%	-3.56%	0.20%	5.06%	-4.36%	-2.92%	0.43%
POLICY TARGET BENCHMARK				-2.07%	0.16%	4.38%	-3.50%	-1.19%	0.44%
TOTAL VALUE ADDED DUE TO									
Asset Mix				-0.02%	0.04%	-0.07%	0.14%	0.09%	-0.06%
Active Management				-1.51%	-0.00%	0.72%	-1.04%	-1.83%	0.05%
Total Value Added				-1.53%	0.04%	0.65%	-0.90%	-1.74%	-0.01%

(1) Prior to October 1, 2000, the benchmark for this asset class was the MSCI *Unhedged* EAFE Index.

* NOTE: Monthly returns and market values are preliminary and subject to change.
Returns are net of management fees.